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CANADA AND GREAT-BRITAIN.

Report of ERASTUS WIMAN on the Congress of the
Chambers of Commerce of the British Empire, held
in London, June, 1892.

CHARLES WATEROUS, ESQUIRE,

President Brantford Board of Trade:

THE undersigned desires to express through you his thanks to the Council of the Brantford Board of Trade, which, by electing him a delegate, permitted him to be present on the floor of the recent Congress of the Chambers of Commerce of the British Empire, held in London. It may interest you and your members to know what were the paramount impressions reflected from this great gathering, and in order to set them forth, the undersigned takes this liberty of communicating with you.

In the first place, that which seemed to be the most marked impression reflected from the assemblage and its proceedings was the intense loyalty to Great Britain. This sentiment found expression on almost every occasion, and it was a testimony not only to the liberality of British institutions, but to the sagacity and skill with which government had been administered, that throughout countries so numerous and areas so broad, with

interests so divergent and a population so enormous, there was no sentiment reflected except that of an affectionate veneration for the governing power. Throughout the proceedings this was the paramount feature of the occasion, and so far as it could be exhibited, the ties of affection which bind colonies and dependencies alike are strong and apparent from every land. That this should be so was a remarkable circumstance, when, as one of the resolutions stated, the British Empire covered no less than one-eighth of the habitable globe, containing a population of 350 million souls.

It, therefore, the meeting had been called together to discuss the ties of affection which bind the Empire together, there would have been little difference of opinion. But the purpose of the meeting was evidently largely to discuss the ties of interest which exist between the mother-country and the outlying nations under her control, and if it were possible that the ties of interest could be created so that they might enforce, resemble and strengthen the ties of affection, a great and good purpose would be accomplished. There seemed, however, to be some necessity apparent for a change in the relations of Great Britain and her colonies, because otherwise this vast question would not have been the subject chiefly discussed at an assemblage so important.

Indeed, the impression left upon the mind of the observer, next to the exhibition of loyalty, was the need or urgency for re-adjustment, with an intense desire to avert a calamity which seemed to threaten the integrity of the Empire. This was evident from many indications. The frantic appeals of the Imperial Federationists are perhaps the strongest evidence of the desire for a change, finding expression in such terms as "Federate or perish." Indeed, the circumstances surrounding this assemblage of the Chambers of Commerce, and the attempt made to in-

fluence the future policy of Great Britain, indicated the urgency of the situation, and the looking forward to some disaster unless something was done. The existence of this sentiment of apprehension as to the future relations of the mother-country and her dependencies was far more intense in Great Britain than it seemed to be elsewhere, and was a matter of surprise to strangers who encountered it in its intensity for the first time. Discussing privately the question with prominent delegates and others, especially from the United Kingdom, there seemed to be a feeling of dismay entertained at the possible prospect of the secession of colonies or outlying dependencies, unless there was something done to reconcile the conflict which seemed to impend between loyalty and the ties of affection, on the one hand, and interest and material advantage on the other.

The remedy proposed, and strongly advocated by the Canadian delegates, was that Great Britain should reverse the policy which has so successfully raised her to the greatest commercial power, and by putting a tax upon foreign products, especially food and fibre supplies, stimulate the production of these within her own colonies by admitting free their surplus, the colonies in return agreeing, by equal preferential duties, to admit English manufactures at discriminating rates. There was great care, however, exercised to prevent their free admission in competition with existing protected manufactures. The proposition was a very revolutionary one, so much so that the most intelligent speakers regarded it as absolutely fatal to the foreign trade of Great Britain, which amounts to two-thirds of her entire commerce, and though it was prompted in Canada and elsewhere as the outcome of the most vociferous loyalty, it was by a vote of two to one of the delegates stigmatized as "Politically dangerous and economically disastrous." It would be difficult to coin a

sentence more condemnatory, and even had the proposal of commercial union between Canada and the United States been offered, which throws the average loyalist into convulsions, it could not have been more severely stigmatized than was the proposal of these loyalists themselves, that Great Britain should run a risk so enormous to accomplish purposes so remote.

The situation having been admitted, that a change was absolutely essential, the remedy suggested having been voted down as utterly inadequate and possibly dangerous, and no other substitute, even in the shape of a remote suggestion, having been proposed, it would seem that so far as the Congress is concerned, no possible advantage has been gained. Indeed, injury to the belief in permanency and a destruction in confidence as to the future, is the result of the deliberations, for it practically leaves the colonial problem unsolved, and each of the colonies at liberty to cast about for a change and re-adjustment of their relations, which is a condition full of significance, and equally full of possibilities for the future.

Of all the colonies most deeply affected by this condition, the Dominion of Canada, the nearest and greatest of British possessions, stands first to be considered. In relation to Canada, throughout the discussions, the point that most impressed the observer was the total lack of apprehension of the sacrifices the Dominion has been, and is, called upon to make, in order to maintain her connection with Great Britain. The progress made in the lesser and Southern half of the continent, included within the United States, and the comparatively stunted and meagre development in the Northern and greater half of the continent, included in the British possessions, is before the world as a comparison that is as inevitable as it is irresistible, yet it was never so much as referred to in the Congress. It might have been contended that

freedom from foreign interference and free trade between themselves had been the foundation of the prosperity attained in the United States. It might equally have been urged that, had the same freedom of trade extended over the whole continent, instead of half of it, the same relative progress would have been possible in the Northern regions as has been made south of the line that now cuts the continent in two. Hence the sacrifices made by Canada, and by Canadians, have to be measured by the difference in the comparative progress between the two portions of the continent.

If opportunity had offered, it might have been shown that it is not because Canada is a portion of the British Empire that she has not grown with the same rapidity as the regions south of the line. It is not because there is a difference in the forms of government, the one monarchical and the other republican, though to many an emigrant from despotic countries this consideration has been controlling. It could have been pointed out that it was because of the line of demarcation athwart the continent, south of its centre, resulting in the setting up of two commercial systems. The fate left to Canada therefore is, that the only products in which she can trade are produced in similar latitudes, and being cut off from exchange with products of other climates, she has been hide-bound and restricted from the highest success in commercial life. This line of demarcation, bad enough in itself, it could have been shown, has been made higher and higher by unwise legislation on both sides, by retaliation and commercial belligerency, until it now begins to be realized that if the same policy is continued, its logical result will be, and perhaps in a short time, the practical isolation and non-intercourse between the two English speaking nations that together hold the best of continents in common.

This condition having been reached in this, the last decade of the century of the greatest progress, it is strange that in an assemblage so intent upon the question under discussion, so little was apprehended of the contest that inevitably ensues in Canada between interest and material advantage, on the one hand, and loyalty and sentiment, on the other. It is true that in the fear of dismemberment, which found expression in the proposal to alter the commercial policy of Great Britain, for the exclusive benefit of the colonies, some vague idea may have been entertained that a compensation would be afforded to Canada to forever remain isolated from the greatest money-making, money-spending aggregation of humanity the world has ever seen—forever to deny herself the offer of a market of 65 millions in exchange for a market of five millions—forever to refrain from participating in a commerce the greatest that exists on the earth, which breaks like a huge wave and rolls back upon itself from a border line unparalleled in length, and yet without permitting Canadians part and lot in the same.

But even this proposed compensation, meagre and insufficient though it be, was voted down, without the slightest regard as to the sacrifices Canada is called upon to make, on the one hand, nor on the other, without the substitution of any other plan to remedy existing conditions, in which she is called upon to resist a terrible temptation to yield to the enormous material advantage which a disloyal course would beget for her and her people at large.

Another impresson of the congress was the omission of any reference to the striking circumstances which show how far this temptation toward material advantage is being yielded to in Canada. Hardly a word was said about the Census returns, which indicated that while in

the last ten years, in the United States, the population had grown at the rate of 26 per cent., that of Canada had halted at less than half that proportionate increase. Further, there was hardly any allusion to the fact that since the result of the Census had been realized, the exodus which kept this proportionate increase to a level so low, had been so augmented that now a personal annexation to the United States had taken place of male adults, greater in proportion to population than from any other country which had been depleted of the class of inhabitants on whom its future most depended. No allusion having been made to the fact, that as from almost every household some one member had been compelled to go into the neighboring country, there would necessarily follow further contributions in that direction. Further, that should those who remained seek the material advantages which a connection with the United States afforded, and loyalty set as lightly on those who remained as upon those who had gone away, the strain and stress on that sentiment would stand a poor chance in the contest between sentiment, on the one hand, and personal interest on the other.

Of course, with an absence in the discussion so complete, of subjects having so important a bearing on the future of Canada, there was no opportunity to consider the only plan by which the allegiance of Canada could be forever maintained to the British crown, and yet all the material advantages secured of a complete obliteration of the barrier which shuts out Canada from the highest degree of prosperity. This plan is that of Unrestricted Reciprocity with the United States, involving a perfect and free exchange of every product and every manufacture of the two countries. Neither English nor foreign delegates seemed to understand, nor was there any effort permitted to enlighten them, that the McKinley bill

could be completely obliterated along the entire Northern border of the United States, by concessions on the part of Canada, entirely honorable and equitable; and that by a perfect and free exchange of the products of every climate on the continent, prosperity relatively as great as that which exists in the United States would follow this movement. How important this would be to England could have been easily pointed out from the increase of trade which has occurred between Great Britain and the two sections of the North American continent. In the fourteen years ending in 1889, the increase in the trade between Great Britain and the United States was 50 millions sterling, while between Canada and Great Britain, in the same time, it has only grown a paltry million and a half! Even proportionately to population the result is equally striking, for each loyal Canadian has increased his business with the mother-country in fourteen years to the extent of only six shillings, while each commercial enemy in the United States has increased it sixteen shillings! If the same relative development should come to Canada in the next fourteen years, as will come to the United States within that period, by a close relation and participation in the growth of that wonderful country, Great Britain would share in that prosperity to a degree far greater than she is likely to realize from existing conditions, intensified as time goes on by the commercial warfare that exists between the two countries, and the constant struggle against nature and geography, on the part of Canada.

Of course, while no chance was afforded for discussion of practical and exclusive free trade between Canada and the United States, which is entirely possible, no opportunity was afforded to demonstrate that the loss by discrimination against Great Britain, which such a policy would imply, would be trivial as compared with the loss

that Canada unceasingly makes by denying herself the greatest market under the sun; that that loss by discrimination would be immediately turned into profit, not only by the increased business from the rapid growth of the colony, but that by enlargement of opportunity, both in the United States and Canada, for the employment of the enormous accumulations of money now and hereafter to concentrate in London, there would be undoubted advantage to Great Britain.

Little or no allusion was made to the fact that a great change has come over the financial and commercial condition of Great Britain. This change is, that Great Britain now realizes a much vaster sum by levying tribute from every quarter of the globe as a banker and money-lender than from the profit of her manufactures. She has become a trader and a banker far exceeding her gains as a manufacturer. Goods from Germany, and all other competing countries, come to London for sale and distribution, and by the magnitude of her transportation interests, her facilities for exchange and the market she controls, she levies profits as a trader only second to those which she realizes as the chief money power of the world. She is spending money like water in developing mines, railways and business enterprises in Africa, as she has already done in Australia and Canada, the income from which, in the payment of interest, is far greater than from the goods she exports to these outlying possessions. Even from her great commercial rival, the United States, she levies, in interest, a sum greater than from any other country. The amount of American national, state and municipal securities held in Great Britain, and the trunk line bonds and shares in industrial enterprises now held by Great Britain is enormous, so that the remittances for interest in gold for the benefit of English capitalists, from New York and elsewhere, is

beginning to be an element of financial concern in the adjustment of the balances between the two countries. If this is the case, and the northern portion of the North American continent is equal in value to that of Africa and Australia as a region for development, and if this development is as susceptible of gains as vast as those which in the southern portion of the continent have been revealed, what more inviting field exists for British enterprise, British brains and British money than Canada, if by a business bargain with the United States all the advantages possible to a union with that country can be secured? Certainly such a policy would for ever silence the argument in favor of annexation, and reconcile completely the conflict between interest on the one hand, and loyalty on the other. If by an honorable and equitable arrangement with the United States all the advantages can be secured which would follow a political alliance, it will be at once admitted that a political alliance is forever impossible.

The argument that a close commercial alliance with the United States would be only a prelude to political absorption finds its answer in the fact, that the old reciprocity treaty in natural products, which both countries enjoyed up to 1865, resulted in the creation of far greater attachment to the mother-country than existed in 1849, a fact to which the present Premier of Canada will be glad to testify. To believe that a people become less loyal because they become more prosperous, that they desire a change in political conditions because they are contented, is to argue against history, and is to utter a libel on the Canadian people, which they little deserve in view of their unswerving devotion to the mother-land in the face of enormous sacrifices and most adverse conditions.

If, therefore, the results of this great commercial con-

ference have been to reveal to the world a fear of loss of such a precious possession as Canada, if the preventative proposed was inadequate, and even then not approved, does it not follow that the plan which most assuredly will retain to Great Britain political possession of so vast an area, is the one that should be considered especially when that plan promises the most abounding prosperity, the fullest development, the largest augmentation of population, the amplest opportunity and return to British capital? Of all things the United States needs is an enlarged market for their stimulated manufactures, together with amplitude of room for occupancy by the unparalleled increase in growing population, resulting from unlimited immigration and from natural causes, together with supplies of free raw material, which Canada can alone furnish.

Luckily, the time will soon be ripe for the negotiation of a business bargain that will completely obliterate the commercial barrier between the two countries. This can be done in accordance with the new reciprocity policy of the Republicans, for the confirmation of which they are now appealing to the people in the presidential election in November; or be equally in exact accord with the free trade doctrine of the Democrats should these prevail. But that these latter will apply to Canada, even with democratic success, is extremely unlikely, unless Canada is willing to yield all the United States will grant.

Because, unfortunately, Reciprocity has assumed a political shape, it is not considered on its economic merits, or from an impartial point of view. Were it so considered it would certainly commend itself to the favorable opinion of all men who think, and those who look beyond party lines to the good of the whole country.

The undersigned, feeling the delicacy of his position, after such a criticism as your action was exposed to, in appointing him a delegate, did not presume to urge his views upon the conference, though the exceeding courtesy of his fellow-delegate, Mr. Arthur K. Bunnell, completely cleared the way for him to do so.

After the main discussion was over, and in order to correct some absurd mis-statements from another Canadian delegate, as to immigration, a vast volume of which the undersigned has had abundant opportunity to observe, he sought the privilege of the floor. This, however, was denied him by a representative from Toronto, whose rudeness and lack of British fair-play was so manifest, that it excited the severest condemnation of a great many delegates. It did more, for it opened the door of numerous other avenues of communication to the British public, and audiences much larger than were afforded by the Chambers of Commerce will be reached in advocacy of the only plan that will at once beget the greatest prosperity and preserve Canada to the British crown.

ERASTUS WIMAN.

NEW YORK CITY, July 25, 1892.

[The most forcible and most influential speech made during the Congress was by Sir Thomas Farrer, Bart. Inasmuch as the views expressed were mainly those contained in a pamphlet recently published, I have taken the liberty of sending copies to members of your Board whose names I could recall.—E. W.]